



April 2021

With the freezing of Local Housing Allowance, and rent rises, renters will struggle to cover costs

By Ruth Stravis, Citizens Advice West Oxfordshire Research Volunteer

A year after the Government brought Local Housing Allowance* (LHA) rates back up to the 30th percentile of local private sector rent prices, the rates will be frozen again this April. This means in real terms (with rental inflation in most areas) the allowance will be cut for many renters in receipt of welfare benefits.

Currently the average rent in the Witney area for a two-bedroom property is circa. £950 per month. This is approximately £35 per month higher than the applicable LHA rate for this size of property. The average rent for a three-bedroom property, currently around £1180, is approximately £80 per month higher than the LHA rate for this type of property in the area.

Last year's uplift of the LHA rates had a significant positive impact on the affordability of local private rents for the increased number of people who are reliant on welfare benefits due to the Coronavirus pandemic. With the economic impact of Covid-19 still being felt in 2021, there is concern that as rental costs rise, and the furlough scheme and Universal Credit uplift ends, restricting Housing Allowances will contribute to people's inability to pay their rent without getting into debt or going without other essentials.

As people fall into rent arrears and wider debt due to insufficient welfare benefits there is a higher risk of eventual eviction and homelessness. Renters have been protected from bailiff-enforced evictions over the course of the pandemic. Although this protection has now been extended until May and the six-month notice period before court action can start is still in place, landlords have been able to give this notice since September. The coming months are likely to see tenants with substantial and mounting arrears facing eviction notices and bailiff action.

Citizens Advice West Oxfordshire is able to provide help and support to people struggling to pay their rent and worried about losing their homes. Whether in the private rented sector or in social housing, depending on circumstances, people facing a shortfall between their Housing Benefit or Universal Credit Housing Element and their rent can apply for Discretionary Housing Payments from West Oxfordshire District Council to cover the shortfall.

Citizens Advice are here to help people with debt and money advice, benefits and housing problems. Please get in touch if you are having difficulties.

If you need advice, contact your local Citizens Advice in Oxfordshire on www.caox.org.uk

Notes:

- *The Department for Work and Pensions (DWP) use **Local Housing Allowance (LHA) rates** to calculate **Housing** Benefit for tenants renting from private landlords. **LHA rates** relate to an area in which a claim is made - these areas are called Broad Rental Market Areas (BRMA)
- Within West Oxfordshire, there are three different LHA rates, as the district falls into three Broad Market Rental Areas (BRMAs). In and around Witney, the Oxford BRMA LHA is applied, whereas in Chipping Norton, the Cherwell Valley BRMA LHA rate is used. Burford falls into the Cheltenham Broad Market Rental Area.